

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----040107 301411Z /41
O O 301357Z MAR 78 ZFF 4
FM AMEMBASSY BONN
TO SECSTATE WASHDC NIACT IMMEDIATE 7159
INFO AMEMBASSY ANKARA IMMEDIATE
AMEMBASSY ATHENS IMMEDIATE
AMEMBASSY NICOSIA IMMEDIATE
AMEMBASSY LONDON IMMEDIATE
USMISSION USNATO

C O N F I D E N T I A L SECTION 01 OF 02 BONN 05705

EXDIS

FOR DEPUTY ASSISTANT SECRETARY (EUR) BARBOUR FROM NIMETZ
ANDEST; LONDON FOR AMBASSADOR STONE

E.O. 11652: GDS
TAGS: PEPR, TU, GR, CY
SUBJECT: BRIEFING GOVERNMENTS OF GREECE AND CYPRUS ON
EASTERN MEDITERRANEAN POLICY DECISIONS

1. WE STRONGLY RECOMMEND YOU CALL IN AMBASSADOR
DIMITRIOU AFTERNOON MARCH 30 AS FIRST STEP IN BRIEFING
GOG AND GOC RE GREECE/TURKEY PROGRAM PRESIDENT WILL
SHORTLY RECOMMEND TO CONGRESS. IN VIEW OF ATHENS 2609,
WE EXPECT (PENDING FURTHER DISCUSSIONS WITH AMBASSADOR
MCCLOSKEY) THAT MCCLOSKEY WILL INFORM GREEKS ON MARCH 31
ON HIS RETURN TO ATHENS FOLLOWING DISCUSSIONS AFTERNOON
MARCH 30 IN BONN WITH DEPUTY SECRETARY AND OTHER
MEMBERS OF PARTY WHO ACCOMPANIED HIM TO ANKARA. YOU
SHOULD OFFER ALEXANDRAKIS A FOLLOW-UP BRIEFING AFTER
BRIEFING TAKES PLACE IN ATHENS. EMBASSY NICOSIA SHOULD
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ALSO FOLLOW UP WITH ROLANDIS OR PELAGHIAS MARCH 31.

2. FOLLOWING ARE TALKING POINTS WE WOULD SUGGEST YOU
DRAW ON IN PRESENTING PROGRAM. (WE WILL GIVE THESE
POINTS ALSO TO MCCLOSKEY ON HIS ARRIVAL IN BONN,
INCLUDING SOME ADDITIONAL IDEAS FOR USE WITH GOG.)

--THE PRESIDENT HAS MADE SOME DECISIONS ON OUR
MILITARY ASSISTANCE PACKAGE FOR GREECE AND TURKEY
AND I WANT TO SHARE THEM WITH YOU.

(A) THE PRESIDENT WILL ASK CONGRESS TO REPEAL
SECTION 620(X) OF THE FOREIGN ASSISTANCE ACT, THAT IS,
TO LIFT THE EMBARGO. WE BELIEVE THAT ONE OF OUR
IMPORTANT PRIORITIES IN THE REGION IS TO MAINTAIN THE
WESTERN ORIENTATION OF TURKEY, AND WE BELIEVE THIS
IS IN YOUR COUNTRY'S INTEREST AS WELL. THE EFFECT OF
THE EMBARGO HAS BEEN FELT, BUT OUR BEST JUDGMENT IS THAT
FROM NOW ON THE RISKS IT POSES TO OUR RELATIONSHIP WITH
TURKEY, AND TO THE STABILITY OF THE REGION (INCLUDING
CYPRUS), FAR OUTWEIGH ANY POSSIBLE BENEFIT WITH RESPECT
TO PROMOTING A CYPRUS SOLUTION.

(B) THE UNITED STATES AND TURKEY HAVE JOINTLY
AGREED THAT THE 1976 US-TURKISH DCA IS NO LONGER A
SUITABLE BASIS FOR OUR DEFENSE RELATIONSHIP AND WE HAVE
JOINTLY AGREED TO RENEGOTIATE THE AGREEMENT. ONE OF OUR
REASONS FOR COMING TO THIS CONCLUSION IS THE GROWING
FEELING IN THE ADMINISTRATION AND THE CONGRESS THAT
MULTI-YEAR AGREEMENTS OF THIS TYPE ARE NOT DESIRABLE.

(C) SINCE WE WILL NOT BE MOVING FORWARD WITH THE
DCA'S, WE WILL REQUEST FMS CREDITS FOR FY 1979 AT THE
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SAME LEVELS AS LAST YEAR. THIS MEANS \$175-MILLION FOR
TURKEY AND \$140-MILLION FOR GREECE. THIS REFLECTS AN
INCREASE IN THE GREEK REQUEST FROM THE \$122-MILLION
INDICATED IN OUR BUDGET SUBMISSION.

(D) WE ARE VERY CONCERNED ABOUT THE ECONOMIC
SITUATION IN TURKEY AND BELIEVE WE SHOULD BE HELPFUL.
WE WILL THEREFORE REQUEST FROM THE CONGRESS A
\$50-MILLION SECURITY SUPPORTING ASSISTANCE LOAN FOR
TURKEY INFY 1979.

--LET ME MAKE A FEW GENERAL POINTS ABOUT THIS
PROGRAM.

(A) WE CONSIDER IT IMPORTANT AND DESIRABLE TO
NORMALIZE OUR RELATIONSHIP WITH TURKEY, BUT THIS PROGRAM
SHOULD NOT BE SEEN AS ANY LESSENING IN OUR ACTIVE
COMMITMENT TO A CYPRUS SOLUTION OR A TILT IN FAVOR OF
TURKEY VIS-A-VIS GREECE.

(B) IT SHOULD BE SEEN IN YOUR COUNTRY AS WORTHY
OF NOTE THAT IT HAS BEEN DECIDED NOT TO GO FORWARD

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 05705

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UNDER THE FOUR-YEAR DCA NEGOTIATED IN 1976, BUT INSTEAD
TO NEGOTIATE A NEW AGREEMENT REFLECTING CURRENT CIRCUM-
STANCES.

(C) GIVEN TURKEY'S GRAVE FINANCIAL CONDITION,
THE EFFECT OF LIFTING OF THE EMBARGO IS UNCERTAIN.
SOME ADDITIONAL MILITARY SUPPLIES WILL OF COURSE
BECOME AVAILABLE TO TURKEY FROM US SOURCES, BUT THIS
MOVE WOULD NOT ADVERSELY AFFECT YOUR COUNTRY.

(D) THE ECONOMIC LOAN OF \$50-MILLION IS MODEST
GIVEN THE SIZE OF THEIR PROBLEMS; FOR EXAMPLE, IT
SHOULD BE COMPARED WITH THE \$300-MILLION LOAN TO
PORTUGAL. THIS LOAN IS MEANT TO DEMONSTRATE OUR GOOD
WILL TO THE PEOPLE OF TURKEY DURING A DIFFICULT PERIOD
AND WILL NOT HAVE AN EFFECT ADVERSE TO YOUR COUNTRY.

(E) BASED ON OUR DISCUSSIONS WITH THE TURKS, WE
BELIEVE THESE STEPS WOULD ACTUALLY HAVE A POSITIVE
EFFECT ON CYPRUS, BECAUSE IT WILL FREE ECEVIT FROM THE
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POLITICAL CONSTRAINTS OF ACTING UNDER PRESSURE.

(F) THE US WILL CONTINUE TO PLAY AN ACTIVE ROLE IN SUPPORT OF THE SECRETARY-GENERAL'S EFFORTS TO ACHIEVE A CYPRUS SETTLEMENT. SINCE THERE WILL BE NO FOUR-YEAR DCA, THE CONGRESS WILL HAVE A CHANCE TO REVIEW THIS MATTER PERIODICALLY.

--WHILE THERE ARE DISADVANTAGES AND ADVANTAGES TO THESE DECISIONS FROM EVERYONE'S STANDPOINT, YOU SHOULD KNOW THAT THIS IS A PACKAGE THE PRESIDENT INTENDS TO WORK FOR IN THE CONGRESS. WE CONSIDER THIS A BALANCED PROGRAM, WHICH ACTUALLY PUTS ASIDE THE FOUR-YEAR DCA AND INCREASES MILITARY FUNDS FOR GREECE. YOUR COUNTRY AND OURS HAVE MANY LONG-TERM RELATIONSHIPS AND COMMON INTERESTS. WE WANT TO WORK CLOSELY WITH YOU IN THE COMING MONTHS AND YEARS. WE HOPE YOUR REACTION TO THIS DECISION WILL BE MODERATE AND CONSIDERED, RECOGNIZING THAT THIS IS A BALANCED PROGRAM DECIDED UPON BY THE PRESIDENT, DEALING ESSENTIALLY WITH OUR RELATIONSHIP WITH A THIRD COUNTRY. RECOGNIZING THAT SOME ELEMENTS IN YOUR COUNTRY WILL TRY TO EXPLOIT THIS PROGRAM TO HARM OUR RELATIONSHIP, IT WILL BE IN THE INTEREST OF YOUR COUNTRY AND OURS TO REACT MODERATELY AND RESPONSIBLY. STOESEL

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